

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4635-01
Bill No.: SB 532
Subject: Tax Credits; Taxation and Revenue- Income
Type: Original
Date: January 10, 2012

Bill Summary: This proposal extends the tax credit for donations to food pantries until August 28, 2022.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0 to (\$2,000,000)	\$0 to (\$2,000,000)	\$0 to (\$2,000,000)
Total Estimated Net Effect on General Revenue Fund	\$0 to (\$2,000,000)	\$0 to (\$2,000,000)	\$0 to (\$2,000,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Revenue** assume that there is no fiscal impact from this proposal.

Officials at the **Budget and Planning (BAP)** assume this proposal renews the Food Pantry Tax Credit, which has expired, and extends it until 8/28/22. \$1.1 million in credits were redeemed in FY11. This will reduce General and Total State Revenues by similar amounts in FY 2013 and beyond.

Oversight assumes this tax credit expired on August 28, 2011. This proposal would extend the tax credit and therefore **Oversight** will show the loss to state revenue of the tax credits issued starting in FY 13. This tax credit has a statutory cap of \$2 million. In the last five years an average of \$644,583 credits have been issued. **Oversight** will range the fiscal impact of the program from \$0 to the annual statutory limit of \$2 million.

Oversight assumes this proposal would prohibit the issuance of any further tax credits under this program after August 28, 2022. **Oversight** assumes any income to the state from tax credits not issued and the taxes being collected would be outside the fiscal note period. Taxes would start being collected in FY 2023.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Revenue Reduction-</u> extension of the tax credit	<u>\$0 to</u> <u>(\$2,000,000)</u>	<u>\$0 to</u> <u>(\$2,000,000)</u>	<u>\$0 to</u> <u>(\$2,000,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 to</u> <u>(\$2,000,000)</u>	<u>\$0 to</u> <u>(\$2,000,000)</u>	<u>\$0 to</u> <u>(\$2,000,000)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

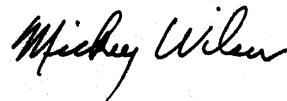
FISCAL DESCRIPTION

This act modifies the sunset of the tax credit for donations to food pantries, so that the program that expired August 28, 2011, expires August 28, 2022.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Budget and Planning
Department of Revenue

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
January 10, 2012